

Before the  
Federal Communications Commission  
Washington, DC 20554

In the Matter of )  
 )  
Request for Review of the )  
Decision of the )  
Universal Service Administrator by )  
 )  
Hewlett-Woodmere UFSD ) File No. SLD-109446  
Woodmere, New York )  
 )  
Federal-State Joint Board on ) CC Docket No. 96-45✓  
Universal Service )  
 )  
Changes to the Board of Directors of the ) CC Docket No. 97-21  
National Exchange Carrier Association, Inc. )

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FCC MAIL SECTION

**ORDER****Adopted: November 9, 1999****Released: November 9, 1999**

By the Common Carrier Bureau:

1. The Common Carrier Bureau (Bureau) has under consideration an appeal filed by Hewlett-Woodmere UFSD (Hewlett-Woodmere) on June 9, 1999, seeking review of a decision issued by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator). Hewlett-Woodmere seeks review of the SLD's denial of its application for discounts under the schools and libraries universal service support mechanism.<sup>1</sup> For the reasons set forth below, we grant Hewlett-Woodmere's appeal, and remand Hewlett-Woodmere's funding application to the SLD for further determination in accordance with this order.

2. Under the schools and libraries universal service support mechanism, eligible schools, libraries, and consortia that include eligible schools and libraries, may apply for discounts for eligible telecommunications services, Internet access, and internal connections.<sup>2</sup> During the first extended funding year (January 1, 1998 - June 30, 1999) of the support mechanism, SLD granted all approved requests for discounts for telecommunications services and Internet Access and granted all approved requests for internal connections down to the 70 percent discount level.

<sup>1</sup> Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of the Administrator may seek review from the Commission. 47 C.F.R. § 54.719(c).

<sup>2</sup> 47 C.F.R. §§ 54.502, 54.503.

3. By letter dated February 18, 1999, the SLD denied Hewlett-Woodmere's request for discounts on the grounds that its request was improperly classified as Internet Access instead of internal connections. Because internal connections services were funded only at the 70 percent level or above, Hewlett-Woodmere's funding request was denied.<sup>3</sup> Hewlett-Woodmere appealed the SLD's decision by letter dated March 22, 1999. On June 2, 1999, the SLD affirmed its initial funding decision and denied Hewlett-Woodmere's appeal.<sup>4</sup> In the Administrator's Decision on Appeal, the SLD stated that the services Hewlett-Woodmere listed as dedicated services included some internal connections services (maintenance and internal connections equipment). SLD explained that Hewlett-Woodmere's request was reclassified as internal connections services so as to avoid the possibility of treating priority two services (internal connections) as priority one services (telecommunications services and Internet access). Finally, SLD stated that because Hewlett-Woodmere did not qualify for the 70 percent discount, its funding request for Internet access, now classified as internal connections, was denied.

4. In Hewlett-Woodmere's request for review of the SLD's decision that is now before us, Hewlett-Woodmere states that, because the internal connections components of its request for Internet access represented a small portion of the total request, the reclassification of the entire request from Internet access to internal connections was not justified. Hewlett-Woodmere requests that its funding request for Internet access be reconsidered less the internal connections components.

5. In *Williamsburg-James City*,<sup>5</sup> the Commission determined that, in cases where, as here, an FCC Form 471 was submitted before the establishment of the Commission's rules of priority in the *Fifth Reconsideration Order*,<sup>6</sup> applicants could not have been aware of the need to segregate carefully their service requests. Consequently, the Commission held that, in appeals addressing such circumstances, applications should be remanded to SLD for reprocessing, with priority one and priority two services being considered separately on their own merits. We, therefore, remand Hewlett-Woodmere's application and direct SLD to issue a new funding commitment decision letter based on the originally submitted FCC Form 471 and any further consultations with the applicant that may be necessary.

6. ACCORDINGLY, IT IS ORDERED, pursuant to authority delegated under sections 0.91, 0.291, and 54.722(a) of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 54.722 (a), that the Letter of Appeal filed by Hewlett-Woodmere UFSD, Woodmere, New York, on June 9, 1999 IS GRANTED.

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<sup>3</sup> Hewlett-Woodmere qualified for discounts at the 40 percent level.

<sup>4</sup> Letter from the Schools and Libraries Division, Universal Service Administrative Company, to Karen Chapman, Hewlett-Woodmere UFSD, dated June 2, 1999 (Administrator's Decision on Appeal).

<sup>5</sup> *Request for Review of the Decision of the Universal Service Administrator by Williamsburg-James City Public Schools*, CC Docket Nos. 96-45 and 97-21, Order, FCC 99-298 (rel. October 15, 1999) (*Williamsburg-James City*).

<sup>6</sup> *Federal-State Joint Board on Universal Service, Fifth Order on Reconsideration and Fourth Report and Order*, 13 FCC Rcd 14915, 14938 (1998) (*Fifth Reconsideration Order*), paras. 36-37.

7. IT IS FURTHER ORDERED that the Administrator IS DIRECTED to implement the decision herein.

FEDERAL COMMUNICATIONS COMMISSION

A handwritten signature in black ink, appearing to read "Yog R. Varma", with a horizontal line underneath.

Yog R. Varma  
Deputy Chief, Common Carrier Bureau